



CALIFORNIA STATE PUBLIC WORKS BOARD

GRAY DAVIS, GOVERNOR

915 L STREET ■ NINTH FLOOR ■ SACRAMENTO CA ■ 95814-3706 ■ (916) 445-9694

SPECIAL STATE PUBLIC WORKS BOARD

October 27, 2000

MINUTES

PRESENT:

Ms. Annette Porini, Chief Deputy Director, Department of Finance
Mr. William Evans, Deputy Director of Finance, Department of Transportation
Ms. Donna Lucas, State Treasurer's Office
Mr. Bruce Robeck, Deputy Director, Legislation, State Controller's Office

ADVISORY MEMBER:

Director, Employment Development Department

LEGISLATIVE ADVISORS:

Assembly Member, Darrell Steinberg
Assembly Member Kevin Shelley
Assembly Member Sally Havice
Senator Richard G. Polanco
Senator
Senator

STAFF PRESENT:

James E. Tilton, Administrative Secretary, State Public Works Board
Deborah Cregger, Legal Counsel, State Public Works Board
Peggy Palmertree, Acting Secretary, State Public Works Board

OTHERS PRESENT:

Jay A Mark, Department of Justice
James H. Keeling, RESD-PMB
Robert Nishimoto, Department of Justice
Donald J. Nenz, Department of Justice

CALL TO ORDER AND ROLL CALL:

Ms. Porini, Chairperson, Chief Deputy Director, Department of Finance at 10:30 am called the meeting to order. Mr. Tilton, Administrative Secretary for the State Public Works Board called the roll. A quorum was established.

APPROVAL OF MINUTES:

Mr. Tilton advised that there were no previous minutes to approve.

BOND ISSUES:

Mr. Tilton reported there were three bond items.

Mr. Tilton noted that the Attorney General Office raised concerns with the standard form used for bond sales, the Site Lease. The Site Lease was replaced with an Agreement for the Transfer of Control and Possession of State Owned Property, all interested parties agreed and the resolution has been amended to reflect this change.

Mr. Tilton reported that Item #1, Department of Justice, Central Valley and Riverside Replacement Laboratories, total estimated project costs of \$25,946,000. The resolution authorizes the issuance, sale and delivery of lease revenue bonds. Par value is estimated at \$32 million with a TIC of 6 percent.

Mr. Tilton noted that staff recommends approval of the resolution.

A motion was made by Ms. Lucas, and seconded by Mr. Robeck to approve Agenda Item #1 of the bond calendar. Ms. Porini then asked for a role call.

Agenda Item #1 of the bond calendar was passed with a 4-0 vote.

Mr. Tilton reported that Item #2 Department of General Services, Capitol Area East End Complex Parking Garage Block 224, total estimated project costs of \$11,010,000. The resolution authorizes the issuance, sale and delivery of lease revenue bonds. Par value is estimated at \$14 million with a TIC of 6 percent.

Ms. Lucas read a statement disqualifying the Treasurer from voting on Bond Item #2.

“Pursuant to the Political Reform Act and the regulations of the Fair Political Practices Commission, the Treasurer has disqualified himself from and will continue to disqualify himself from participating in or making decisions regarding this matter, regarding financing for the Capitol Area East End Complex Parking Garage.

This disqualification is based on the fact that Angelo Tsakopoulos, who is considered a “source of income” to the Treasurer within the meaning of the Political Reform Act, owns property in the vicinity of the project under consideration. Although the Treasurer does not believe he has an actual conflict of interest in this matter, he has, in the abundance of caution, disqualified himself.”

Mr. Tilton noted that staff recommends approval of the resolution.

A motion was made by Mr. Robeck, and seconded by Mr. Evans to approve Agenda Item #2 of the bond calendar. Ms. Porini then asked for a role call.

Agenda Item #2 of the bond calendar was passed with a 3-0 vote.

Mr. Tilton reported that Item #3 California Highway Patrol, East Los Angeles and Dan Gorgonio Pass Area Offices, total estimated project cost \$11,214,000. This resolution authorizes the issuance, sale and delivery of lease revenue bonds. Par value is estimated at \$14 million with a TIC of 6 percent.

Ms Lucas read a statement disqualifying the Treasurer from voting on Bond Item #3.

“As set forth on the record of the March 20, 2000, Public Works Board meeting, the Treasurer has previously disqualified himself and will continue to disqualify himself from participating in or making decisions relating to Bond Item #3, regarding the San Gorgonio Area Pass Office.

Mr. Tilton noted that staff recommends approval of the resolution.

A motion was made by Mr. Robeck, and seconded by Mr. Evans to approve Agenda Item #3 of the bond calendar. Ms. Porini then asked for a role call.

Agenda Item #3 of the bond calendar was passed with a 3-0 vote.

CONSENT CALENDAR:

Mr. Tilton noted there were no Consent Calendar Items.

ACTION ITEMS:

Mr. Tilton noted there was one action item.

Mr. Tilton reported that Action Item #4 was to authorize the Administrative Secretary of the State Public Works Board to submit a written request to the State Treasurer requesting that the excess bond proceeds remaining in the Construction Fund of the Energy Efficiency Revenue Bond 1995 Series A be transferred to the principal account of the 1996 Series A.

A motion was made by Mr. Evans, and seconded by Ms. Porini to approve Agenda Item #4 of the action items. Ms. Porini then asked for a role call.

Agenda Item #4 of the action items was passed with a 2-0 vote.

OTHER BUSINESS:

Mr. Tilton noted that there were no items of other business.

REPORTABLES:

Mr. Tilton reported there were no reportables.

NEXT MEETING:

Mr. Tilton noted that the next regular PWB meeting is set for Thursday, November 9, 2000 at 10:00 a.m., in Room 113.

Having no further business, the meeting was adjourned at 10:40 a.m.

BOND ITEMS

BOND – ITEM 1

DEPARTMENT OF JUSTICE (0820) CENTRAL VALLEY REPLACEMENT LABORATORY

*Authority: Chapter 162/96, Item 0820-301-0001 (1)
Chapter 282/97, Item 0820-301-0001 (1)
Chapter 50/99, Item 0820-301-0660 (1)*

DEPARTMENT OF JUSTICE (0820) RIVERSIDE REPLACEMENT LABORATORY

*Authority: Chapter 162/96, Item 0820-301-0001 (2)
Chapter 282/97, Item 0820-301-0001 (2)
Chapter 324/98, Item 0820-301-0001 (5)
Chapter 50/99, Item 0820-301-0660 (2)*

a. Adopt a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds – Department of Justice, 2000 Series D, Various Replacement Laboratory Projects.
2. Approve the form of and authorize the execution of Site Leases between the Department of Justice and the State Public Works Board.
3. Approve the form of and authorize the execution of Facility Leases between the Department of Justice and the State Public Works Board.
4. Approve the form of and authorize the execution of a Supplemental Indenture between the State Treasurer and the State Public Works Board.
5. Approve the form of and authorize the execution and delivery of a Preliminary Official Statement.
6. Approve and authorize the execution and delivery of an Official Statement.
7. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Total Estimated Project Cost:	\$25,946,000
General Fund:	\$2,704,000
State Public Works Board Lease Revenue Bonds:	\$23,242,000

APPROVED.

BOND ITEMS

STAFF ANALYSIS – ITEM 1

Department of Justice, Central Valley Replacement Laboratory,
Riverside Replacement Laboratory

Action Requested

The requested action would authorize the sale of lease revenue bonds for these projects.

Scope Description

These projects are within scope.

Central Valley Replacement Laboratory

This project constructs a 31,933 gross square foot Forensic Laboratory to replace the existing laboratory and upgrade capabilities. The replacement facility includes administrative and laboratory areas. Site work, parking and utilities are also included. This new facility is consistent with the Department of Justice's (DOJ's) ongoing effort to insure that all potential evidence is subjected to the most up-to-date testing procedures and instrumentation available.

Riverside Replacement Laboratory

This project constructs a 38,477 gross square foot Forensic Laboratory to replace the existing laboratory and upgrade capabilities. The replacement facility includes administrative and laboratory areas. Site work, parking and utilities are also included. This new facility is consistent with DOJ's ongoing effort to insure that all potential evidence is subjected to the most up-to-date testing procedures and instrumentation available.

Funding and Project Cost Verification

These projects are within cost.

Central Valley Replacement Laboratory

\$11,468,000 total estimated project costs

\$11,468,000 project costs previously allocated: \$318,000 study, environmental documents, and preliminary plans; \$481,000 working drawings; and \$10,669,000 construction

Riverside Replacement Laboratory

\$14,478,000 total estimated cost of project

\$14,478,000 project costs previously allocated: \$479,000 study, environmental documents, preliminary plans; \$1,426,000 site acquisition and working drawings; and \$12,573,000 for construction

CEQA

DOJ has certified that CEQA requirements have been met.

Project Schedule

The project schedules are as follows:

Central Valley Replacement Laboratory

Complete construction: March 2001

Riverside Replacement Laboratory

Complete construction: May 2001

Staff Recommendation: Approve the resolution.

BOND ITEMS

BOND – ITEM 2

DEPARTMENT OF GENERAL SERVICES (1760)

CAPITOL AREA EAST END COMPLEX

Parking Garage Block 224

Authority: Chapter 761/97

a. Adopt a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds – Department of General Services, 2000 Series E, Block 224 State Parking Garage.
2. Approve the form of and authorize the execution of a Site Lease between the Department of General Services and the State Public Works Board.
3. Approve the form of and authorize the execution of a Facility Lease between the Department of General Services and the State Public Works Board.
4. Approve the form of and authorize the execution of a Supplemental Indenture between the State Treasurer and the State Public Works Board.
5. Approve the form of and authorize the execution and delivery of a Preliminary Official Statement.
6. Approve and authorize the execution and delivery of an Official Statement.
7. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Total Estimated Project Cost:

\$11,010,000

APPROVED.

BOND ITEMS

STAFF ANALYSIS – ITEM 2

Department of General Services, Capitol Area East End Complex
Parking Garage Block 224

Action Requested

The requested action would authorize the sale of the lease revenue bonds for the project.

Scope Description

This project is within scope. This project is the first phase of the Capitol Area East End Complex as authorized in Chapter 761/97. The block 224 parking garage was designed and constructed separately from the Capitol Area East End Complex. The project consists of a new 266,500 gross square foot (gsf) parking garage with approximately 743 parking stalls. The structure houses approximately 6,500 gsf of commercial/retail space. Also included in the scope of work is the demolition of an approximately 5,500 gsf apartment building, site demolition and associated site work.

Funding and Project Cost Verification

This project is within cost.

\$11,010,000 total project costs

\$11,010,000 project costs previously allocated: \$409,000 study, environmental documents, preliminary plans; \$289,000 working drawings; and \$10,312,000 for construction

CEQA

N/A

Project Schedule

The project schedule is as follows:

The project is 100 percent complete and occupied.

Staff Recommendation: Approve the resolution.

BOND ITEMS

BOND – ITEM 3

CALIFORNIA HIGHWAY PATROL (2720) EAST LOS ANGELES AREA OFFICE

Authority: Chapter 50/99, Item 2720-301-0660(1)

CALIFORNIA HIGHWAY PATROL (2720) SAN GORGONIO PASS AREA OFFICE

Authority: Chapter 50/99, Item 2720-301-0660(2)

a. Adopt a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds – California Highway Patrol, 2000 Series C, Various Area Office Projects.
2. Approve the form of and authorize the execution of Site Leases between the California Highway Patrol and the State Public Works Board.
3. Approve the form of and authorize the execution of Facility Leases between the California Highway Patrol and the State Public Works Board.
4. Approve the form of and authorize the execution of a Supplemental Indenture between the State Treasurer and the State Public Works Board.
5. Approve the form of and authorize the execution and delivery of a Preliminary Official Statement.
6. Approve and authorize the execution and delivery of an Official Statement.
7. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Total Estimated Project Cost:

\$11,214,000

APPROVED.

BOND ITEMS

STAFF ANALYSIS – ITEM 3

California Highway Patrol, East Los Angeles Area Office
San Gorgonio Pass Area Office

Action Requested

The requested action would authorize the sale of the lease revenue bonds for these projects.

Scope Description

These projects are within scope.

San Gorgonio Pass Area Office

The build-to-suit San Gorgonio Pass Area Office in Banning was completed in 1996 and is currently occupied by the California Highway Patrol (CHP). The facility consists of 20,410 square foot (office and vehicle repair space) for the 81 assigned personnel.

East Los Angeles Area Office

The build-to-suit East Los Angeles Area Office in Monterey Park was completed in 1996 and is currently occupied by the CHP. The facility consists of 28,245 square foot (office and vehicle repair space) for the 132 assigned personnel.

Funding and Project Cost Verification

These projects are within cost.

San Gorgonio Pass

\$3,617,000 total acquisition costs

East Los Angeles Area Office

\$7,597,000 total acquisition costs

CEQA

N/A

Project Schedule

The project schedules are as follows:

The projects are 100 percent complete and occupied.

Staff Recommendation: Approve the resolution.

CONSENT ITEMS

CONSENT – ITEM

NO CONSENT ITEMS.

CONSENT ITEMS

STAFF ANALYSIS – ITEM

NO CONSENT ITEMS.

ACTION ITEMS

ACTION – ITEM 4

DEPARTMENT OF GENERAL SERVICES (1760)

OFFICE OF ENERGY ASSESSMENTS

State Public Works Board Energy Efficiency Revenue Bond Series
1995 Series A and 1996 Series A

- a. **Authorize the Administrative Secretary of the State Public Works Board to submit a written request to the State Treasurer requesting that the excess bond proceeds remaining in the Construction Fund of the Energy Efficiency Revenue Bond 1995 Series A be transferred to the principal account of the 1996 Series A.**

APPROVED.

ACTION ITEMS

STAFF ANALYSIS – ITEM 4

Department of General Services, Office of Energy Assessments, State Public Works Board
Energy Efficiency Revenue Bond Series, 1995 Series A and 1996 Series A

Action Requested

The requested action will authorize the Administrative Secretary of the State Public Works Board to submit a written request to the State Treasurer requesting that the excess bond proceeds remaining in the Construction Fund of the Energy Efficiency Revenue Bond 1995 Series A be transferred to the principal account of the 1996 Series A.

Issue

Section 4.03 of the indenture of the State Public Works Board Energy Efficiency Revenue Bonds 1995 Series A requires that on or before March 15th of each year, an amount of money equal to ½ of the next principal maturing on October 1st be set aside in the principal account of the revenue fund for each of the bond issue. The indenture of the State Public Works Board Energy Efficiency Revenue Bond 1996 Series A requires on or before February 15th of each year, an amount of money equal to ½ of the next principal maturing on September 1st be set aside in the principal account of the revenue fund for this bond issue. Currently, energy contract payments are not sufficient to meet this requirement of the indentures.

Section 2.12 of the 1995 Series A and 1996 Series A indentures states that “any bond proceeds remaining in the Construction Fund upon completion of the Projects and the payment of all costs related thereto may be applied by the State Treasurer, as the Board may direct, to offset Contract Payments or may be applied by the State Treasurer in such other manner as the Board may by Written Request direct.” Currently, there are sufficient excess bond proceeds in the 1995 Series A Construction Fund to meet the terms of the indenture as described above. However, excess bond proceeds available in the 1996 Series A Construction Fund are insufficient to fully meet the terms of the 1996 Series A indenture. Consistent with the requirements set forth in Section 2.12 of the 1996 Series A, staff therefore recommends that the Board request the State Treasurer’s Office to transfer \$626,272 from the State Public Works Board Energy Efficiency Revenue Bond 1995 Series A construction funds to the principal account of the Energy Efficiency Revenue Bond 1996 Series A in order to be in compliance with the bond indenture.

Staff Recommendation: Authorize the Administrative Secretary of the State Public Works Board to submit a written request to the State Treasurer.

OTHER BUSINESS

NO OTHER BUSINESS.

REPORTABLES

NO REPORTABLES.

Date:

Respectfully Approved,

JAMES E. TILTON
Administrative Secretary